

Greetings:

The Texas "Lemon Law" was enacted by the Texas Legislature in 1983. It continues to help consumers who buy or lease new motor vehicles with defects and who have repeated problems getting those vehicles properly repaired. From 1988 to 2002, the Motor Vehicle Board processed 17,020 complaints. This process is considerably less complicated and less expensive than going to court.

This is the eleventh annual report published on the Lemon Law since the Texas Legislature established the requirement in 1991. The 2002 report includes information on the program results, the geographic distribution of complaints filed, the defects reported, the complaints filed, settlements, complaints closed, and vehicles ordered repurchased or replaced.

The Motor Vehicle Board is currently in the second phase of a multi-year, two-phase technology project to update its current database into an integrated, automated system and to develop database applications to provide improved access by the staff and public. The first phase involved system analysis and design for the entire project. The second phase involves database conversion and construction, web publishing, electronic commerce and document imaging. Electronic commerce includes filing complaints via the Internet and sending and receiving documents electronically. Document imaging will allow for most documents in files to be stored electronically as opposed to stored paper files. These technology improvements will assist the agency in becoming more efficient.

The Motor Vehicle Board rules were amended to require that a manufacturer, distributor, or converter re-title a vehicle reacquired under the Lemon Law. The re-titling requirement will facilitate the Board's enforcement of the disclosure requirements and hinder what is known in the industry as "lemon laundering" or "title washing." Furthermore, it will facilitate the branding of titles by the Vehicle Titles and Registration Division.

During the 77th legislative session, the legislature enacted chapter 2301 of the Occupations Code with an effective date of June 1, 2003. Chapter 2301 is a codification of the Texas Motor Vehicle Commission Code, which contains the Lemon Law. The purpose of the codification is to make the law more accessible, understandable and usable without altering its sense, meaning, or effect.

The customer satisfaction survey continues to indicate that the vast majority of Texas citizens who have used the Lemon Law consider it to be an effective remedy in resolving a complaint involving a problem vehicle. The survey questionnaire gives additional data used to continue to improve the program.

Sincerely,

Bob Barnes

Robert C. Barnes
Chairman, Motor Vehicle Board

September 2003

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